

**United States Bankruptcy Court**  
**Eastern District of Virginia**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>Movie Gallery, Inc.</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>See Rider 1</b>	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): <b>63-1120122</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): <b>9275 SW Peyton Lane</b> <b>Wilsonville, OR</b> <div style="border: 1px solid black; width: 100px; float: right; text-align: center;">ZIP CODE 97070</div>	Street Address of Joint Debtor (No. and Street, City, and State): <div style="border: 1px solid black; width: 100px; float: right; text-align: center;">ZIP CODE</div>
County of Residence or of the Principal Place of Business: <b>Clackamas</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): <div style="border: 1px solid black; width: 100px; float: right; text-align: center;">ZIP CODE</div>	Mailing Address of Joint Debtor (if different from street address): <div style="border: 1px solid black; width: 100px; float: right; text-align: center;">ZIP CODE</div>

 Location of Principal Assets of Business Debtor (if different from street address above):
 

ZIP CODE [   ]

<b>Type of Debtor</b> (Form of Organization) (Check one box.)  <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) <hr/>	<b>Nature of Business</b> (Check one box.)  <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other  <hr/> <b>Tax-Exempt Entity</b> (Check box, if applicable.)  <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	<b>Chapter of Bankruptcy Code Under Which          the Petition is Filed</b> (Check one box.)  <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Chapter 7  <input type="checkbox"/> Chapter 9  <input checked="" type="checkbox"/> Chapter 11  <input type="checkbox"/> Chapter 12  <input type="checkbox"/> Chapter 13         </div> <div> <input type="checkbox"/> Chapter 15 Petition for          Recognition of a Foreign          Main Proceeding  <input type="checkbox"/> Chapter 15 Petition for          Recognition of a Foreign          Nonmain Proceeding         </div> </div> <hr/> <b>Nature of Debts</b> (Check one box.)  <input type="checkbox"/> Debts are primarily consumer, debts defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or house-hold purpose." <input checked="" type="checkbox"/> Debts are primarily business debts
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<b>Filing Fee</b> (Check one box.)  <input checked="" type="checkbox"/> Full Filing Fee attached.  <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.  <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	<b>Chapter 11 Debtors</b>  <b>Check one box:</b> <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).  <b>Check if:</b> <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$ 2,190,000.  <b>Check all applicable boxes:</b> <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
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<b>Statistical/Administrative Information</b> <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.  <b>Estimated Number of Creditors</b> <div style="display: flex; justify-content: space-between;"> <div><input type="checkbox"/> 1-49</div> <div><input checked="" type="checkbox"/> 50-99</div> <div><input type="checkbox"/> 100-199</div> <div><input type="checkbox"/> 200-999</div> <div><input type="checkbox"/> 1,000-5,000</div> <div><input type="checkbox"/> 5,001-10,000</div> <div><input type="checkbox"/> 10,001-25,000</div> <div><input type="checkbox"/> 25,001-50,000</div> <div><input type="checkbox"/> 50,001-100,000</div> <div><input type="checkbox"/> Over 100,000</div> </div> <b>Estimated Assets</b> <div style="display: flex; justify-content: space-between;"> <div><input type="checkbox"/> \$0 to \$50,000</div> <div><input type="checkbox"/> \$10,001 to \$100,000</div> <div><input type="checkbox"/> \$100,001 to \$500,000</div> <div><input type="checkbox"/> \$500,001 to \$1 million</div> <div><input type="checkbox"/> \$1,000,001 to \$10 million</div> <div><input checked="" type="checkbox"/> \$10,000,001 to \$50 million</div> <div><input type="checkbox"/> \$50,000,001 to \$100 million</div> <div><input type="checkbox"/> \$100,000,001 to \$500 million</div> <div><input type="checkbox"/> \$500,000,001 to \$1 billion</div> <div><input type="checkbox"/> More than \$1 billion</div> </div> <b>Estimated Liabilities</b> <div style="display: flex; justify-content: space-between;"> <div><input type="checkbox"/> \$0 to \$50,000</div> <div><input type="checkbox"/> \$10,001 to \$100,000</div> <div><input type="checkbox"/> \$100,001 to \$500,000</div> <div><input type="checkbox"/> \$500,001 to \$1 million</div> <div><input type="checkbox"/> \$1,000,001 to \$10 million</div> <div><input type="checkbox"/> \$10,000,001 to \$50 million</div> <div><input type="checkbox"/> \$50,000,001 to \$100 million</div> <div><input type="checkbox"/> \$100,000,001 to \$500 million</div> <div><input checked="" type="checkbox"/> \$500,000,001 to \$1 billion</div> <div><input type="checkbox"/> More than \$1 billion</div> </div>	<b>THIS SPACE IS FOR COURT USE ONLY</b>
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<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case.)</i>		Name of Debtor(s): Movie Gallery, Inc.	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed: Eastern District of Virginia	Case Number: 07-33849	Date Filed: 10/16/07	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)			
Name of Debtor: See Rider 2	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<b>Exhibit A</b> (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)  <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		<b>Exhibit B</b> (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.			
Exhibit D			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)  <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.  If this is a joint petition:  <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box.)			
<input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)  <div style="text-align: right; margin-right: 100px;">         _____          (Name of landlord that obtained judgment)       </div> <div style="text-align: right; margin-right: 100px;">         _____          (Address of landlord)       </div>			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(1)).			

**Voluntary Petition***(This page must be completed and filed in every case.)*

Name of Debtor(s):

Movie Gallery, Inc.

**Signatures****Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (if not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X \_\_\_\_\_  
(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
Date

**Signature of Attorney\***

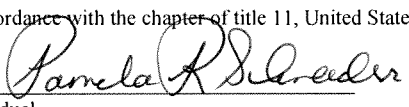
X /s/ Michael A. Condyles  
Signature of Attorney for Debtor(s)  
Michael A. Condyles  
Printed Name of Attorney for Debtor(s)  
Kutak Rock LLP  
Firm Name  
Bank of America Center  
Address  
1111 East Main Street, Suite 800  
Richmond, VA 23219-3500  
804-644-1700  
Telephone Number  
February 2, 2010  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Pamela R. Schneider   
Signature of Authorized Individual  
Pamela R. Schneider  
Printed Name of Authorized Individual  
Executive Vice President, Secretary and General Counsel  
Title of Authorized Individual  
February 2, 2010  
Date

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

X \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.*

## **RIDER 1 - PRIOR TRADE NAMES**

All Other Names used by the Debtor in the last 8 years:

1. Game Crazy
2. Game Zone
3. Hollywood Entertainment
4. Hollywood Management
5. Hollywood Management Company
6. Hollywood Movie Outlet
7. Hollywood Video
8. Hollywood Video Express
9. M.G. Midwest
10. M.G.A. Realty I, Inc.
11. M.G.A., Inc.
12. Moovies, Inc.
13. Movie Gallery
14. Movie Gallery Asset Management, Inc.
15. Movie Gallery Finance, Inc.
16. Movie Gallery Licensing, Inc.
17. Movie Gallery Promotions, Inc.
18. Movie Gallery Services, Inc.
19. Movie Gallery US, Inc.
20. MovieGallery .corn, Inc.
21. Movies 4 Less
22. Reel
23. Reel.com, Inc.
24. Sun and Soul
25. TG Holdings, Inc.
26. Video Library
27. Video Library, Inc.
28. Video Update, Inc.

## **RIDER 2 - LIST OF FILING ENTITIES**

Along with the Debtor, Movie Gallery, Inc., the following affiliated debtors contemporaneously have filed chapter 11 petitions in the United States Bankruptcy Court for the Eastern District of Virginia Richmond Division:

1. HEC Real Estate, LLC.
2. Hollywood Entertainment Corporation
3. MG Real Estate, LLC; and
4. Movie Gallery US, LLC

John A. Bicks (NY 2032498)  
SONNENSCHN NATH & ROSENTHAL LLP  
1221 Avenue of the Americas  
New York, NY 10020-1089  
Telephone: (212) 768-6700

and

Monika J. Machen (IL 6273699)  
SONNENSCHN NATH & ROSENTHAL LLP  
233 South Wacker Drive, Suite 7800  
Chicago, Illinois 60606-6404  
Telephone: (312) 876-8000

Michael A. Condyles (VA 27807)  
Peter J. Barrett (VA 46179)  
KUTAK ROCK LLP  
Bank of America Center  
1111 East Main Street, Suite 800  
Richmond, Virginia 23219-3500  
Telephone: (804) 644-1700

*Proposed Attorneys for Debtors and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

_____	) Chapter 11
In re:	)
MOVIE GALLERY, INC., <u>et al.</u> , <sup>1</sup>	) Case No. 10-_____ ( )
	)
Debtors.	)
_____	)

**CONSOLIDATED LIST OF CREDITORS  
HOLDING THE 30 LARGEST UNSECURED CLAIMS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a petition in the Court for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532. The following is the consolidated list of the Debtors’ creditors holding the 30 largest unsecured claims (the “Consolidated List”) based on the Debtors’ books and records as of approximately January 27, 2010. The Consolidated List is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in these chapter 11 cases. The Consolidated List does not include (1) persons who come within the definition of “insider” set forth in 11 U.S.C. 5 101(31), or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the Consolidated List of 30 largest unsecured claims. The information herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The information herein, including the failure of the Debtors to list any claim as

<sup>1</sup> The Debtors in the cases are Movie Gallery, Inc.; Hollywood Entertainment Corporation; Movie Gallery US, LLC; MG Real Estate, LLC; and HEC Real Estate, LLC.

contingent, unliquidated or disputed, does not constitute a waiver of the Debtors' right to contest the validity, priority or amount of any claim.

(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade, debt, bank loan, government contracts, etc.)	(4) Indicate of claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
WARNER HOME VIDEO	3400 Riverside Drive, Building 160 Burbank, CA 97505 (P) (818) 977-8219 (P) (818) 977-3095 (F) (818) 977-5740 Jacob Marlen and Laura Bermudez	Trade Payable		\$9,538,340
SONY PICTURES HOME ENTERTAINMENT (formerly) COLUMBIA TRISTAR	10202 West Washington Boulevard, Suite 2400 Culver City, CA 90232 (P) (310) 244-8485 (F) (310) 244-2626 Grace Aprillia	Trade Payable		\$9,339,568
TWENTIETH CENTURY FOX HOME ENTERTAINMENT	2121 Avenue of the Stars, #2500 Los Angeles, CA 90067-5049 (P) (310) 369-3900 (F) (310) 369-5262 Laura Cook	Trade Payable		\$8,176,597
UNIVERSAL STUDIOS HOME ENTERTAINMENT	10 Universal City Plaza, 4th Floor Universal City, CA 91608 (P) (818) 777-5159 (F) (818) 866-3330 Janice Sasaki	Trade Payable		\$7,668,661
PARAMOUNT HOME VIDEO	5555 Melrose Avenue Hollywood, CA 90038 (P) (323) 956-5489 (F) (323) 862-1183 Andi Marygold	Trade Payable		\$6,866,689
VPD, INC.	150 Park Shore Dr Folsom, CA 95630 (P) (916) 605-1540 (F) (916) 605-1679 David Sedin	Trade Payable		\$2,860,906
VALASSIS DIRECT MAIL INC.	19975 Victor Parkway Livonia, MI 41852 (P) (800) 437-0479	Trade Payable		\$2,259,128
ELECTRONIC ARTS (SAN MATEO CA)	209 Redwood Shores Redwood City, CA 94065-1175 (P) (650) 628-1500 (F) (650) 628-1422 Steve Bene, Esq.	Trade Payable		\$1,840,867
MICROSOFT CORPORATION	One Microsoft Way Redmond, WA 98052 (P) (800) 642-7676	Trade Payable		\$1,749,250
OSTLER GROUP	740 S. Creek Road, #1024 Sandy, UT 84093 (P) (801) 566-6085 Benji Burton	Trade Payable		\$1,087,397

(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade, debt, bank loan, government contracts, etc.)	(4) Indicate of claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
BANTA DIRECT MARKETING GROUP	7401 Kilmer Lane Maple Grove, MN 55369-5699 (P) (763) 315-8100 (F) (763) 315-8177 Douglas Cole	Trade Payable		\$674,538
STARZ HOME ENTERTAINMENT INC.	8900 Liberty Circle Englewood, CO 80112 (P) (720) 852-7700 (F) (720) 852-8555 General Counsel or Officer	Trade Payable		\$645,265
SONY COMPUTER ENTERTAINMENT OF AMERICA	919 E. Hillsdale Blvd., 2ND Floor Foster City, CA 94404	Trade Payable		\$595,241
FEDERAL EXPRESS	PO BOX 7221 PASADENA, CA 91109-7321	Trade Payable		\$548,461
INNERWORKINGS INC.	600 West Chicago Ave., Suite 850 Chicago, IL 60654 (P) (312) 642-3700 (F) (312) 642-3704 Nancy Howitt	Trade Payable		\$542,692
FACILITYSOURCE INC.	PO BOX 2535 SECAUCUS, NJ 07096 (P) (800) 896-9000	Trade Payable		\$504,190
ACTIVE INTERNATIONAL	One Blue Hill Plaza Pearl River, NY 10965-8705 (P) (845) 732-8516	Trade Payable		\$470,174
ACTIVISION INC.	3100 Ocean Park Blvd Santa Monica, CA 90405	Trade Payable		\$425,767
HAMILTON-RYKER COMPANY, THE	P.O. BOX 638 Hampton, VA 21369-0638 (P) (731) 587-3161	Trade Payable		\$390,183
FRED MEYER STORES INC.	3800 SE 22nd Avenue Portland, OR 97202 (P) (503) 232-8844 (F) (503) 797-5609 Michael Ellis	Landlord		\$359,653
MANDALAY BAY RESORT & CASINO	3950 Las Vegas Blvd South Las Vegas, NV 89119 (P) (702) 632-7777	Trade Payable		\$358,603
IMAGE ENTERTAINMENT INC.	20525 Nordhoff St, Suite 200 Chatsworth, CA 91311 (P) (818) 407-9100	Trade Payable		\$351,010
INLAND COMMERCIAL PROPERTY MGMT INC.	2901 Butterfield RD Oak Brook, IL 60523 (P) (630) 218-5262 (F) (630) 218-4900 Janice J. Fox	Landlord		\$344,937



(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade, debt, bank loan, government contracts, etc.)	(4) Indicate of claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
THQ INCORPORATED	29903 Agoura Road Calabasas Hills, CA 91301	Trade Payable		\$336,201
REALTY INCOME CORPORATION	220 West Crest St Escondido, CA 92025 (P) (760) 741-2111 (F) (760) 741-2235 Thomas A. Lewis, CEO	Landlord		\$293,977
YAHOO, INC.	3333 Empire Avenue Burbank, CA 91504 (P) (818) 524-3000 (F) (818) 524-3001	Trade Payable		\$264,464
MOORE WALLACE dba R R DONNELLEY	111 South Wacker Drive Chicago, IL 60606 (P) (312) 326-8000	Trade Payable		\$232,615
MILLENNIUM MEDIA SERVICES INC.	2000 AVENUE OF THE STARS, SUITE 410 CENTURY CITY, CA 90067 (P) (424) 202-5013	Trade Payable		\$228,830
PK SALE LLC	PO BOX 100550 PASADENA, CA 91189-0550	Trade Payable		\$174,313
WYF PROPERTIES, LLC	5100 Poplar Ave., Suite 1000 Memphis, TN 38137 (P) (503) 644-9400 (F) (503) 520-9400	Landlord		\$174,188

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the duly qualified and elected Executive Vice President, Secretary and General Counsel of Movie Gallery, Inc., named as the debtor in this case, declare under penalty of perjury that I have read the foregoing Consolidated List of Creditors Holding the 30 largest Unsecured Claims and that it is true and correct to the best of my information and belief.

Dated: February 2,, 2010  
Richmond, Virginia

Signature 

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Pamela R. Schneider  
Executive Vice President, Secretary and  
General Counsel

John A. Bicks (NY 2032498)  
SONNENSCHN NATH & ROSENTHAL LLP  
1221 Avenue of the Americas  
New York, NY 10020-1089  
Telephone: (212) 768-6700

And

Monika J. Machen (IL 6273699)  
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Michael A. Condyles (VA 27807)  
Peter J. Barrett (VA 46179)  
KUTAK ROCK LLP  
Bank of America Center  
1111 East Main Street, Suite 800  
Richmond, Virginia 23219-3500  
Telephone: (804) 644-1700

*Proposed Attorneys for Debtors and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

In re:	)	Chapter 11
	)	
MOVIE GALLERY, INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 10-_____ ( )
	)	
Debtors.	)	
	)	

**CONSOLIDATED LIST OF EQUITY SECURITY HOLDERS<sup>2</sup>**

- Movie Gallery, Inc. is 16.21% owned by DQ Ltd., 8.73% owned by EnterAspen Limited (c/o Aspen Advisors), 11.45% owned by EnterAspen Limited (c/o Sopris Advisors), 26.21% owned by Lenado Partners Series A of Lenado Capital Partners L.P., 8.11% owned by Rovida Holdings Limited, 8.11% owned by RR Investment Company LTD, 1.38% owned by Lenado DP Series A of Lenado DP L.P. and 0.49% owned by The Richmond Fund LP.<sup>3</sup>
- Hollywood Entertainment Corporation is 100% owned by Movie Gallery, Inc.

<sup>1</sup> The Debtors in the cases are Movie Gallery, Inc.; Hollywood Entertainment Corporation; Movie Gallery US, LLC; MG Real Estate, LLC; and HEC Real Estate, LLC.

<sup>2</sup> This list serves as the disclosure required to be made by the Debtor pursuant to Rule 1007 of the Federal Rules of Bankruptcy Procedure. All equity positions listed are based on information and belief as of February 2, 2010.

<sup>3</sup> Movie Gallery, Inc.'s Certificate of Authorization (the "Certificate") authorizes the issuance of 60,000,000 shares of common stock. As of December 18, 2009, 38,420,217 shares of common stock were issued and outstanding. The Certificate also authorizes the issuance of 2,000,000 shares of preferred stock. No preferred stock has been issued.

- Movie Gallery US, LLC is 100% owned by Movie Gallery, Inc.
- HEC Real Estate, LLC is 100% owned by Hollywood Entertainment Corporation
- MG Real Estate, LLC is 100% owned by Movie Gallery US, LLC

**RESOLUTION OF THE BOARD OF  
DIRECTORS OF MOVIE GALLERY, INC.**

I, Pamela R. Schneider, the duly qualified and elected Executive Vice President, Secretary and General Counsel of Movie Gallery, Inc., a Delaware Corporation (the "Corporation"), hereby certify that at a special meeting of the Board of Directors of the Corporation duly called and held on February 1, 2010, the following resolutions (collectively, the "Resolutions") were adopted in accordance with the by-laws of the Corporation and that said Resolutions have not been modified or rescinded and are still in full force and effect on the date hereof:

**WHEREAS**, the Board reviewed materials regarding the liabilities and liquidity situation of the Corporation and its domestic subsidiaries (the "Subsidiaries"), the strategic alternatives available to it and the impact of the foregoing on the Corporation's and the Subsidiaries' businesses and members;

**WHEREAS**, the Board has had the opportunity to consult with management, the Corporation's Chief Restructuring Officers and the Corporation's financial and legal advisors and fully consider each of the strategic alternatives available to the Corporation and the Subsidiaries;

**WHEREAS**, the Special Committee of the Board (the "Special Committee") has determined that it is in the best interest of the Corporation to file voluntary petitions for relief under the provisions of chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code");

**NOW THEREFORE BE IT RESOLVED**, that in the judgment of the Board, it is desirable and in the best interests of the Corporation and the Subsidiaries and their respective creditors and other parties in interest, that the Corporation and the Subsidiaries ratify and approve, the acts of the Special Committee and officers of the Corporation in connection with the voluntary petitions for relief under the provisions of chapter 11 of the Bankruptcy Code; and

**FURTHER RESOLVED**, that the officers of the Corporation and the Subsidiaries (collectively, the "Authorized Officers"), acting alone or with one or more other Authorized Officers be, and they hereby are, authorized and empowered to execute and file on behalf of the Corporation and the Subsidiaries all petitions, schedules, lists, motions, applications, pleadings and other papers or documents as necessary to commence the case and obtain chapter 11 relief, including but not limited to motions to obtain the use of cash collateral and provide adequate protection therefor and to obtain debtor in possession financing (as provided for below), and to take any and all further acts and deeds that they deem necessary, proper and desirable in connection with the chapter 11 case, with a view to the successful prosecution of such case;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the law firm of Sonnenschein Nath & Rosenthal LLP as general bankruptcy counsel to represent and assist the Corporation and the Subsidiaries in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's and the Subsidiaries' rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Sonnenschein Nath & Rosenthal LLP;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the law firm of Kutak Rock LLP as local bankruptcy and conflicts counsel to represent and assist the Corporation and the Subsidiaries in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's and the Subsidiaries' rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Kutak Rock LLP;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Moelis & Company as financial advisor and investment banker to represent and assist the Corporation and the Subsidiary in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's and the Subsidiaries' rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Moelis & Company;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Corliss Moore & Associates as Chief Restructuring Officer to represent and assist the Corporation and its Subsidiaries in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Corliss Moore & Associates;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Kurtzman Carson Consultants LLC as noticing, claims and balloting agent to represent and assist

the Corporation and the Subsidiaries in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Kurtzman Carson Consultants LLC;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of DJM Realty as real estate consultants to represent and assist the Corporation and the Subsidiaries in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of DJM Realty;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Gordon Brothers Group as asset sales consultants to represent and assist the Corporation and the Subsidiaries in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Gordon Brothers Group;

**FURTHER RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ any other professionals deemed necessary or advisable by the Authorized Officers to assist the Corporation and the Subsidiaries in carrying out its duties under the Bankruptcy Code; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to or immediately upon the filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of any other professionals as necessary;


**FURTHER RESOLVED**, that in addition to the specific authorizations heretofore conferred upon the Authorized Officers, each of the officers of the Corporation and the Subsidiaries or their designees shall be, and each of them, acting alone, hereby is, authorized, directed and empowered, in the name of, and on behalf of, the Corporation and the Subsidiaries, to take or cause to be taken any and all such further actions, to execute and deliver any and all such agreements, certificates, instruments and other documents and to pay all expenses, including filing fees, in each case as in such officer or officers' judgment shall be

necessary or desirable to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; and

**FURTHER RESOLVED**, that all acts, actions and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Corporation by the officers, directors, employees, agents and attorneys for the Corporation, which acts would have been approved by the foregoing resolutions except that such acts were taken before these resolutions were certified, are hereby in all respects approved and ratified.



IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 1<sup>st</sup> day of February, 2010.

By:   
Pamela R. Schneider  
Title: Executive Vice President, Secretary and  
General Counsel